



NEWS RELEASE

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STEPTOE ANNOUNCES THE AVAILABILITY OF \$19.4 MILLION IN GRANTS TO EXPAND VALUE-ADDED AGRICULTURAL BUSINESS VENTURES

MORGANTOWN, WV, January 10, 2006—State Director ROBERT M. STEPTOE, III today announced the availability of \$19.4 million in grants nationwide that will support the development of value-added agriculture business ventures and support the energy plan to develop alternative sources of renewable energy.

“These funds will help create new job opportunities in rural communities,” Steptoe stated. “Supporting the development and enhancement of value-added agricultural investments demonstrates Rural Development’s commitment to the future of rural communities.”

Steptoe said priority consideration will be given to those grant applications that have at least 51% of project costs dedicated to planning activities for a bio-energy project. Since 2001, USDA has invested nearly \$290 million in renewable energy as part of the President’s commitment to reduce dependence on foreign oil. The Value-Added Producer Grant program encourages the development of renewable energy projects and is part of a comprehensive energy strategy announced by Agriculture Secretary Johanns in early December to help farmers and ranchers mitigate the impact of high energy costs and develop long-term solutions.

Under this year’s program, the amount that can be awarded to a producer in the form of a working capital grant has been doubled to \$300,000, and \$1.5 million is also being allocated to provide grants of \$25,000 or less to eligible producers.

To date, the program has funded \$116 million in value-added grants for over 750 recipients nationwide, including \$20.5 million to develop and market renewable energy projects in 29 states. Renewable energy projects include biodiesel, ethanol or wind energy production, or the use of biomass to generate energy.

The grants may be used for planning activities, such as feasibility studies, marketing and business plans needed to establish a viable value-added marketing opportunity for an agricultural product, or to provide working capital for operating a value-added business venture, marketing value-added agricultural products and for farm-based renewable energy projects. Eligible applicants are independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures.

Awards will be made on a competitive basis. Applications must be received no later than March 31, 2006. Detailed information about application and program requirements is included in the December 21, 2005 publication of the Federal Register at http://www.access.gpo.gov/su_docs/fedreg/a051221c.html under the heading Rural Business-Cooperative Service.

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Further information on USDA Rural Development may be obtained by visiting USDA’s web site at <http://www.rurdev.usda.gov>. In West Virginia, call 1-800-295-8228 to be put in touch with the appropriate personnel serving your county. Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA TARGET Center at 202.720.2600 (voice and TDD). ##

Committed to the future of rural communities.

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